Irrigation Finance Corporation to provide funds in the form of loan to some large Nationally important irrigation projects for their expeditious completion. But no decision in the matter is yet reached.

U. S. threat in the event of India's failureto comply with the bilateral Agreementson Export subsidies

*56. SHRI SURESH PACHOURI. SHRI MURLIDHAR CHANDRAKANT BHANDARE:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to 1990 National Trade estimate report on foreign trade barriers sent by the US administration to the Congress;

(b) whether the US administration has warned that if India failed to comply with the bilateral agreements on the issue of export subsidies, the US would take appropriate counter steps;

(c) if so, what is the precise nature of the treat; and

(d) what is Government's reaction thereto?

THE MINISTER OF COMMERCE AND TOURISM (SHRI ARUN KUMAR NEHRU): (a) Yes, Sir.

(b) & (c). The 1990 Trade Estimates Report mentions *inter-alia* that if it is determined that India is not acting in compliance with the bilateral agreement on the issue of export subsidies, the United States will take appropriate steps which could include revoking the injury test in US countervailing duty cases.

(d) Government of India is of the view that it has not been acting inconsistently with the provisions of the bilateral agreement on export subsidies with the United States. Further, India's auctions are in accordance with the relevant provisions of the GATT Agreement on Subsidies and Countervailing Measures, which deal with special situation of developing countries.

Foreign investments in India

*57. SHRIMATI KAILASHPATI: SHRI KAPIL VERMA:

Will the Minister of FINANCE be pleased to state:

(a) what are the areas where foreign investments would be especially welcome by Government in India and the conditions attached thereto;

(b) whether Government propose to eliminate any restrictions in this regard; and

(c) what is Government's present policy about encouraging foreign investments?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) to (c). The basic framework of our foreign investment policy is laid down in various documents including the Industrial Policy Resolution. Our approach is selective. In line with our priorities, the policy permits technical as well as financial collaborations over a wide range of industrial activities. The policy is well established and facilitates direct foreign investment in desirable areas, particularly areas of high technology and exports.

Export by Pepsi Foods

*58. SHRI CHATURANAN MISHRA: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is a fact that Pepsi Foods have exported items worth Rs. 13 crore through Pepsi World Trade as a goodwill gesture;

(b) if so, what are the items exported; and